

# Senate File 101 - Introduced

SENATE FILE 101

BY HOGG

## A BILL FOR

1 An Act establishing a fuel-efficient motor vehicle use tax  
2 refund, and making an appropriation.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1     Section 1. NEW SECTION.   **423.6A Fuel-efficient motor**  
2 **vehicles refund.**

3     1. A person who purchases a new motor vehicle may apply to  
4 the department for a refund of a portion of the amount of use  
5 tax imposed and paid at the time of purchase of the new motor  
6 vehicle by the applicant in the amount issued on a tax refund  
7 certificate issued pursuant to section 473.14.

8     2. The refund may be obtained only in the following manner  
9 and under the following conditions:

10    *a.* On forms furnished by the department and filed by April  
11 30 after the end of the calendar year in which the tax refund  
12 certificate is to be applied, the applicant shall report to  
13 the department the total amount of use tax paid for the new  
14 motor vehicle for which the tax refund certificate was issued  
15 pursuant to section 473.14.

16    *b.* If required by the department, the applicant shall prove  
17 that the person making the sale has included the amount thereof  
18 in the computation of the sales price of such person and that  
19 such person has paid the tax levied under section 423.5 based  
20 upon such computation of the sales price.

21    *c.* The applicant shall provide the tax refund certificate  
22 issued pursuant to section 473.14 to the department with the  
23 forms required by paragraph "a".

24     3. If satisfied that the foregoing conditions and  
25 requirements have been complied with, the department shall  
26 refund the amount claimed by the applicant pursuant to the  
27 limitations in section 473.14. The department shall not issue  
28 refunds for an amount more than the amount appropriated for the  
29 refunds in section 423.6B. An application for a refund under  
30 this section received after the amount of appropriated funds  
31 under section 423.6B has been depleted shall be held by the  
32 department until the following fiscal year at which time the  
33 department shall reconsider the application.

34     Sec. 2. NEW SECTION.   **423.6B Appropriation for**  
35 **fuel-efficient motor vehicle refund.**

1     1. There is appropriated from the general fund of the  
2 state each fiscal year for the fiscal period beginning July 1,  
3 2019, and ending June 30, 2024, to the department of revenue  
4 the sum of five million dollars to be used for fuel-efficient  
5 motor vehicle use tax refunds established under section  
6 423.6A. Amounts appropriated pursuant to this section shall  
7 be in addition to, and shall not replace, funds otherwise  
8 appropriated to the department of revenue. Notwithstanding  
9 section 8.33, moneys appropriated in this section that remain  
10 unencumbered or unobligated at the close of each fiscal year  
11 shall not revert but shall remain available for expenditure for  
12 the purposes designated.

13     2. This section is repealed June 30, 2024.

14     Sec. 3. Section 455A.6, subsection 6, Code 2019, is amended  
15 by adding the following new paragraph:

16     NEW PARAGRAPH. *e.* Approve or deny the issuance of a tax  
17 refund certificate under section 473.14.

18     Sec. 4. NEW SECTION. **473.14 Fuel-efficient motor vehicles**  
19 **tax refund — certificate.**

20     1. A person who has purchased a new motor vehicle from a  
21 new motor vehicle dealer in this state on or after July 1,  
22 2019, may apply to the commission for a refund pursuant to  
23 section 423.6A of use tax paid. If approved by the commission,  
24 the amount of the use tax refund shall equal ten dollars for  
25 each mile per gallon that the motor vehicle's highway gasoline  
26 mileage rating averaged for city and highway driving as  
27 estimated by the United States environmental protection agency  
28 is above thirty-five miles per gallon but a refund issued shall  
29 not be for an amount less than twenty-five dollars or more than  
30 two hundred fifty dollars.

31     2. To apply, the person shall submit a completed application  
32 to the commission containing all of the following information:

33     *a.* A copy of the motor vehicle dealer invoice for the motor  
34 vehicle.

35     *b.* A copy of a valid Iowa vehicle registration for the motor

1 vehicle. The name appearing on the vehicle registration shall  
2 be the same name as the name of the purchaser on the dealer  
3 invoice.

4 c. Proof of the vehicle purchase which may include but is  
5 not limited to a copy of the front and back of a canceled check,  
6 the finance agreement, or a dealer invoice indicating a zero  
7 balance due and receipt of payment in full.

8 d. Any other information the department may require.

9 3. If upon receipt of the completed application the  
10 commission finds that the person is qualified for a use  
11 tax refund pursuant to section 423.6A and this section, the  
12 commission shall calculate the amount of the tax refund for  
13 which the person is eligible and shall issue a tax refund  
14 certificate to the person or notify the person in writing of  
15 its denial to do so. A person whose application is denied may  
16 file an appeal with the department of natural resources within  
17 sixty days from the date of denial pursuant to chapter 17A.

18 4. For the purposes of this section, "motor vehicle" means  
19 the same as defined in section 321.1 but shall not include  
20 a motorcycle, motorsports recreational vehicle, motorized  
21 bicycle, snowmobile, autocycle, or all-terrain vehicle.

22 5. Once a tax refund certificate is issued pursuant to this  
23 section, the person may apply to the department of revenue for  
24 the use tax refund pursuant to section 423.6A.

25 EXPLANATION

26 The inclusion of this explanation does not constitute agreement with  
27 the explanation's substance by the members of the general assembly.

28 This bill establishes a fuel-efficient motor vehicle use tax  
29 refund.

30 The bill provides for a use tax refund for certain  
31 fuel-efficient motor vehicles whose combined gasoline mileage  
32 rating exceeds 35 miles per gallon. The amount of the  
33 refund shall be either \$10 for each mile per gallon above 35.  
34 However, the amount of the refund shall not be less than \$25 or  
35 more than \$250. The use tax refund shall be administered by

1 the environmental protection commission of the department of  
2 natural resources.

3 An amount equal to \$5 million per fiscal year for five fiscal  
4 years is appropriated to the department of revenue to issue the  
5 use tax refunds.

6 The bill does not apply to a motorcycle, motorsports  
7 recreational vehicle, motorized bicycle, snowmobile, autocycle,  
8 or all-terrain vehicle.